

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

May 13, 2003

Present:

Rose C. Chu
Terone B. Green
Manikoth G. Kurup, M.D.
Elmer E. Neil, M.D. (Chair)
James T. Parmelee
H. Scott Seal
Robert D. Voogt, Ph.D.
Dorn V. Williams, Sr.

Absent:

Phyllis L. Cothran
Joseph Green
Marc Wheat

DMAS Staff:

Cynthia Jones, Chief Deputy Director
Paige Fitzgerald, Counsel to the Board
Craig Markva, Acting Director of the Office of
Communications and Legislative Affairs
Nancy Malczewski, Board Liaison
Tyris Blathers, Admin. Office Specialist III
Alan MacDonald, Director of Information Management
Jeff Nelson, Senior Policy Analyst
MaryAnn McNeil, Pharmacy Manager

Guests:

H. Alan Bigley, Jr., M.D., former Board Member
Hobart Harvey, VHCA
Leslie Herdegen, Va. Law & Govt. Affairs, DC
Anne Leigh Kerr, PhRMA
H.K. Lee, Eli Lilly & Co.
Kevin Pauley, Forest Healthcare
Rick Shinn, Virginia Primary Care Association
Maureen Stasi, R.Ph., Biovail

Call to Order

Dr. Elmer Neil, Chairman of the Board, called the meeting to order at 10:03 a.m. and asked everyone to introduce themselves starting with Board Members, then DMAS staff and visitors.

Approval of Minutes from April 14, 2003 Meeting

Dr. Neil asked for a motion to review and approve the Minutes of the April 14, 2003, meeting. Mr. T. Green made the motion to accept the Minutes and Dr. Kurup seconded. The vote was **8-yes (Chu, T. Green, Kurup, Neil, Parmelee, Seal, Voogt, and Williams); 0- no.**

Presentation to Prior Board Members

Dr. Neil recognized the hard work and dedication of Board Members whose terms had expired; Dr. Bigley, Steven Minter and Karen Beauchamp, and offered a small token of appreciation for their tireless service. Dr. Bigley said he received a “thank you” letter from the Governor but was very appreciative to also receive something from the Board and Department of Medical Assistance Services. He wished everyone well and asked that they continue to make wise decisions for the citizens of the Commonwealth.

Chairman’s Comments

Dr. Neil mentioned that he shared his thoughts with Director Finnerty, and received positive feedback, and that he would now share them with Chief Deputy Director Cynthia Jones and the Board. He asked if the Board Members would consider attending Department of Medical Assistance Services (DMAS) meetings, not as a spectator or looking over the Director’s shoulder, but actually participating. He asked how do the Board Members feel about this?

There was discussion and most Board Members were in agreement that they would like to attend agency stakeholder meetings. They asked that DMAS staff provide them with a list of the Committee information and meeting dates in order that they may determine their participation.

Dr. Neil asked Paige Fitzgerald, Counsel to the Board, to draft an amendment to the ByLaws, (under Article V), before the next Board Meeting regarding additional BMAS participation at DMAS committee meetings; therefore, the amendment may be discussed at the next Board Meeting. Ms. Fitzgerald said that she would give the draft to Ms. Nancy Malczewski, Board Liaison, to distribute to the Board Members prior to the next meeting of the Board.

Dr. Neil passed out a sheet of paper and asked the Members to choose the BMAS Committee (Policy Committee or Legislative and Public Affairs Committee) on which they would like to serve. He would appoint the Chair of each Committee and send out the lists to the Members. He then turned the meeting over to Ms. Jones for her presentation.

Preferred Drug List Update

Ms. Jones filled in during the Director’s absence and gave the update on the development of a Medicaid Preferred Drug List (PDL) program. She noted this was the same presentation given to the Joint Commission on Health Care the week before. The PDL program is required by the 2003 Appropriations Act. DMAS staff have met with countless groups to get their input into the development of the program. DMAS tries to inform the public by putting everything on its website, and has even included the draft Request For Proposal for comment before releasing. Ms. Jones noted that the Pharmacy & Therapeutics (P&T) Committee will play a critical role in the PDL program. As the Board had just discussed attending DMAS Committee Meetings, this would be a good Committee to get involved in at the very beginning. A message would be sent to the Board members inviting them to the initial P&T meeting when it is scheduled.

Ms. Jones reviewed the background regarding the PDL program, discussed actions taken thus far in implementing the program, and identified the next steps in the development of the program. Board members asked several questions about various aspects of the program. There was general discussion about the P&T Committee, drug class exclusions, and appeals.

Medicaid Management Information Systems

Mr. Alan MacDonald, Director of Information Management, gave an update on the Medicaid Management Information System (MMIS) coming on-line in June 2003 and DMAS' compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Readiness Testing is currently being done and is almost completed. CMS has funded 90 percent of the MMIS and HIPAA effort. Since the MMIS will be coming up before October 16, 2003, the HIPAA compliance date, DMAS will accept the compliant transactions and the non-HIPAA compliant transactions until October 16. This is the most modern MMIS on the market, and HIPAA compliant. Even though the system is not completely finished, the developer, First Health Services, has already sold it to Nevada and Alaska. The baseline for transactions was 10,000 per hour, but 12,000 was desired. The system will handle 17,500 transactions per hour.

Mr. MacDonald explained the three means for a provider to determine a recipient's eligibility (page 8 of the presentation), then passed out sample magnetic swipe cards to the Board Members. He mentioned that the plastic card could be swiped through a machine such as a credit card transaction. The information is provided, almost instantaneously, to the provider (e.g., physician, hospital) before rendering service giving the beginning and end dates of the recipient's eligibility. Instead of the paper cards that were mailed monthly to Medicaid recipients, these new cards are one-time mailings. People should keep these cards permanently in the event their eligibility status changes. New cards will only be sent in the event the recipient loses the card. Mr. MacDonald continued to explain the extensive effort involved to inform and educate the provider community regarding the new MMIS, and mentioned the extensive training teleconference being held across the State on June 5. To date, over 2,000 people have signed up for this teleconference.

Telemedicine

Mr. Jeff Nelson, Policy Analyst Senior in the Division of Policy and Research, gave an update on telemedicine services. Telemedicine involves a practitioner's office in a rural setting using a digital camera and monitor, with a connection by high-speed telephone line to a practitioner's office with a monitor and other telemedicine equipment at a hub-site such as at MCV or UVA. This program brings medical specialty services to rural areas. Another advantage is reduced expenditures for transportation. Telemedicine is not a new area of coverage but another means of delivering a covered service. The equipment cost has dropped in price over the years from \$100,000 at a site to \$5,000-\$8,000. The DMAS telemedicine pilot project started in 1995. A relatively small amount of telemedicine has been billed under the DMAS pilot project. Referring to page 3 of the presentation, Mr. Nelson described the pilot project participants which include MCV, UVA, Southwest Virginia Mental Health Institute, and more than ten Community Services Boards and local health care providers. When the program began, only physicians were

recognized as providers. DMAS is expanding its recognition of telemedicine as of July 1, 2003, by adding additional services for telemedicine, additional types of providers, and allowing providers statewide to participate. The changes parallel coverage of telemedicine under Medicare. A mailing is being prepared to send to providers to discuss telemedicine, and changes will be made to the affected DMAS provider manuals. An e-mail address, vatelmed.dmas.state.va.us, is available for telemedicine questions of DMAS.

DMAS is meeting with telemedicine staff at MCV and UVA to discuss telemedicine grant opportunities. An example would be a grant focusing on diabetes where in addition to medical services provided using telemedicine, the electronic network could be used for patient education to discuss diabetes self-management, diet, exercise and other patient issues.

OLD BUSINESS

Medicaid Physician Advisory Committee

Ms. Jones gave a brief update on the first meeting of the Medicaid Physician Advisory Committee (MPAC) held on April 24, 2003. Nominations of members were provided by a variety of associations. Seven of the 12 members attended along with three BMAS Members (Dr. Neil, Dr. Kurup and Mr. T. Green). Minutes will be taken and posted for these meetings. At the first meeting they discussed the purpose and expectation of this Committee. It will provide a forum for identifying and discussing issues affecting physicians participating in the Medicaid program. The meetings will be held quarterly on Tuesdays from 4:00 - 6:00 p.m., which was the best time for the doctors. The next meeting will be held on July 15 at the Department of Medical Assistance Services' Board Room. Agenda items will include how provider rates are calculated, an analysis of Medicaid utilization of services, access to care issues, and the new Preferred Drug List program.

Regulatory Activity Summary

Ms. Jones noted that if there were any regulatory items for which the Board would like more details to let DMAS staff know. She noted that actions taken by the General Assembly will require an extensive amount of regulatory activity. There were no comments on the regulatory issues or updates.

New Business

Dr. Neil asked if there was any new business; there was none.

Public Comment

Dr. Neil asked if there was any public comment. No one had signed up for public comment, and none of the guests had asked to speak.

Adjournment

Dr. Neil noted the next Board Meeting dates as September 9, and December 9, 2003. A question was asked regarding the Board Committees. Dr. Neil stated he would review the list of the member's choices and he would appoint a Chair to each Committee. He offered the Board Members to stay for lunch and then attend an orientation meeting.

He asked if there were any other questions or issues to come before the Board; hearing none, the meeting was adjourned at 11:35 a.m.